(b) if so, whether Government have given any suggestion to corporate sector to try to substitute their high cost loans with that of the low cost loans; and

(c) what steps are being taken by Govemment to take advantage of availing high liquidity loans with surplus amount available in foreign countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Proposals for External Commercial Borrowings (ECBs) exceeding US$100 mn are processed in the Ministry of Finance. In view of the burgeoning foreign exchange reserves, Govemment has advised few corporates seeking ECBs beyond US$100 mn that since free foreign exchange resources are available in adequate measures, they could attempt to access free foreign exchange through local borrowings.

(b) and (c) Refinancing of existing ECB is under automatic route provided the refinancing is at lower cost and maturity of the existing loan is maintained or increased. Further, Reserve Bank of India has allowed corporates to retire their high cost foreign currency loans by way of prepayment, without prior permission from RBI, upto US$100 mn if out of local resources and without any limit if out of EEFC account or against inflow of foreign equity. It has been decided that prepayment of ECBs under the automatic route will be permitted by removing the current ceiling of US$100 million.

**Circulation of counterfeited currency**

1298. DR. AKHILESH DAS: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the number and details of cases involving production and circulation of counterfeit currency and the amount of such currency seized during 2000-2001,2001 -2002, and 2002-2003;

(b) the extent of Rs. 500 denomination currency seized this year; and

(c) what special steps have been/are being taken to prevent production and circulation of such currency?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Latest data on counterfeit currency compiled by National Crime Records Bureau (NCRB) is available upto March, 2002. A statement on State/U.T.-wise number of cases of seizure of counterfeit currency during 2000,2001 and 2002 (upto March, 2002) is enclosed as Statement *{See* below). The amount of currency seized/recovered is as under

(Rs. Crores)

| Year | Amount seized/recovered |
|---|---|
| 2000 | 5.94 |
| 2001 | 5.31 |
| 2002 (upto March) | 1.91 |

(b) Data for the current year has not yet been compiled by NCRB. During 2002 (upto March) 28,194 number of currency notes of Rs. 500/-denomination were seized/recovered.

(c) To curb circulation of fake currency notes in the country, the Govemment has taken a number of steps which, *interalia,* include setting up a special unit in the Central Bureau of Investigation exclusively for investigation of counterfeit currency notes, stepping up of vigilance by the Border Security Force/Customs Authorities to prevent smuggling of fake currency notes into the-country, incorporation of special security features in high denomination notes and dissemination of information on security features through print media and Doordarshan for the benefit of public. Further, based on the recommendations of the High Level Committee, some additional features have been approved for incorporation in the Indian bank notes which will make counterfeiting of Indian Bank Notes extremely difficult.

***Statement***

*Cases of seizure of counterfeit currency during* 2000,2001 *and2002 (upto March)*

| SI. No. | State/UT | 2000 | 2001 | 2002 (upto March) |
|---|---|---|---|---|
| 1. | Andhra Pradesh | 117 | 134 | 22 |
| 2. | Arunachal Pradesh | 3 | 4 | 1 |
| 3. | Assam | 40 | 45 | 12 |
| 4. | Bihar | NA | NA | NA |
| 5. | Goa | 36 | 3 | 2 |
| 6. | Gujarat | 42 | 51 | 12 |
| 7. | Haryana | 18 | 51 | 3 |
| 8. | Himachal Pradesh | 1 | 3 | 2 |
| 9. | Jammu and Kashmir | 12 | 17 | 6 |
| 10. | Karnataka | 668 | 110 | 44 |
| 11. | Kerala | 51 | 69 | 25 |
| 12. | Madhya Pradesh | 5 | 2 | 16 |
| 13. | Maharashtra | 83 | 98 | 16 |
| 14. | Manipur | 13 | 18 | 3 |
| 15. | Meghalaya | 2 | 2 | 2 |
| 16. | Mizoram | 11 | 11 | 3 |
| 17. | Nagaland | 4 | 9 | 1 |
| 18. | Orissa | 4 | 4 | 1 |
| 19. | Punjab | 43 | 46 | 8 |
| 20. | Rajasthan | 53 | 47 | 4 |
| 21. | Sikkim | 0 | 1 | 0 |
| 22. | Tamil Nadu | 84 | 65 | 28 |
| 23. | Tripura | 8 | 5 | 2 |

| SI. No. | State/UT | 2000 | 2001 | 2002 (upto March) |
|---|---|---|---|---|
| 24. | Uttar Pradesh | 134 | 116 | 15 |
| 25. | West Bengal | 59 | 13 | 1 |
| | Total (States) | 1491 | 924 | 229 |
| | UNION TERRITORIES | | | |
| 26. | A&N Islands | 0 | 2 | 0 |
| 27. | Chandigarh | 7 0 | 2 | 3 |
| 28. | D&N Haveli | | NA | NA |
| 29. | Daman & Diu | 1 | 1 | 0 |
| 30. | Delhi | 10 | 2 | 0 |
| 31. | Lakshadweep | 0 5 | 0 3 | 0 |
| 32. | Pondicherry | | | 1 |
| | TOTAL (UTs): | 23 | 10 | 4 |
| | TOTAL (All-India): | 1514 | 934 | 233 |

NOTE: NA stands for 'Data not Available.'

**Exemption of excise duties on relabeling of goods in SSI Sector**

1299. SHRI S. M. LAUAN BASHA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether various small scale industry fora have been representing Government for a clear and unambiguous clarification on the re-labeling and re-packing of goods made in small scale sector for the purpose of exemption of excise duty;

(b) if so, the details thereof and Government's reaction thereto; and

(c) whether it is a fact that large scale units are using the small scale sector as a clock to avoid excise duties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) Under Notification No. 8/2002-CE., dated 1.3.2002 small scale units are